



COLORADO

**Division of Reclamation,
Mining and Safety**

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

June 3, 2014

John P. Ary
Fremont Paving & Redi-Mix, Inc.
P.O. Box 841
Cañon City, CO 81215

**RE: Fremont Paving & Redi-Mix Pit (a.k.a. Florence South Pit), File No. M-1988-093;
Financial Warranty Increase, Revision No. SI-01**

Dear Mr. Ary:

On June 3, 2014 the Division of Reclamation, Mining and Safety (Division) increased the current Financial Warranty for this permit to \$45,100.00, in accordance with Rule 4.2.1 of the Rules and Regulations. This is an increase of \$20,500.00. A cost summary worksheet is attached. The full unit cost update was attached to the inspection report mailed to both you and Jordan Sasser on May 30, 2014.

The Division ordered amendment of the current Financial Warranty, or submittal of a new Financial Warranty reflecting the increase, is due within 60 days from the date of this letter (Due by August 4, 2014). If you wish to submit a different type of Financial Warranty, please contact Division Bonding Specialist, Barbara Coria so that she may send you the applicable form. Bonding forms are also available on the Division's website at: <http://mining.state.co.us/Mineral%20Forms.htm>

If you have any questions or need further information, please contact me at (303)866-3567 x8169.

Sincerely,

Timothy A. Cazier, P.E.
Environmental Protection Specialist

ec: Tom Kaldenbach, DRMS
Barbara, Coria, DRMS
DRMS file



COST SUMMARY WORK

Task description: Cost Summary

Site: Fremont Paving & Redi-Mix Pit Permit Action: TC01 Update Permit/Job#: M1988093

PROJECT IDENTIFICATION

Task #: 000 State: Colorado Abbreviation: None
Date: 5/21/2014 County: Fremont Filename: M093-000
User: TC1

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Final Grading of Backslopes	DOZER	1	57.24	\$14,523.44
011	Replace Topsoil - > 200 ft haul	SCRAPER1	1	14.03	\$4,001.42
012	Replace Topsoil - < 200 ft push	DOZER	1	3.99	\$1,012.78
020	Reveg	REVEGE	1	35.00	\$14,190.71
030	Mob/Demob	MOBILIZE	1	2.06	\$2,497.82
<u>SUBTOTALS:</u>				112.32	\$36,226.17

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance:	2.02%	Total =	\$731.77
Performance bond:	1.05%	Total =	\$380.37
Job superintendent:	20.00 hrs	Total =	\$1,503.20
Profit:	10.00%	Total =	\$3,622.62
		TOTAL O & P =	\$6,237.96
		CONTRACT AMOUNT (direct + O & P) =	\$42,464.13

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs):	500.00	Total =	500.00
Engineering work and/or contract/bid preparation:	0.00%	Total =	\$0.00
Reclamation management and/or administration:	5.00%		\$2,123.21
CONTINGENCY:		Total =	\$0.00

TOTAL INDIRECT COST = \$8,861.17

TOTAL BOND AMOUNT (direct + indirect) = \$45,087.34